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THE TOWN HALL

Can Hospital Costs Be Lowered?

Moderator, QUINCY HOWE

Speakers

ELI GINZBERG

ANTHONY J. J. ROURKE

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COMING

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The account of the meeting reported in this Bulletin was transcribed from recordings made of the actual broadcast and represents the exact content of the meeting as nearly as such mechanism permits. The publishers and printer are not responsible for the statements of the speakers or the points of views presented.

THE SPEAKERS' COLUMN

DR. ELI GINZBERG—Professor of Economics, Director of the Conservation of Human Resources Project, and Director of the National Manpower Council at Columbia University. Dr. Ginzberg studied abroad at Heidelberg and Grenoble, and received his M.A. and Ph.D. at Columbia University. Currently, he is also acting as Consultant for the following: Secretary of the Army, personnel; Department of the Army, Surgeon General's Office; Group for Advancement of Psychiatry; Commission on Chronic Illness and Health Information Foundation. Among the many books he has written are *Occupational Choice* (1951), *Agenda for American Jews* (1950), *A Pattern for Hospital Care* (1949) and *A Program for the Nursing Profession* (1948).

DR. ANTHONY J. J. ROURKE—Executive Director of the Hospital Council of Greater New York. Dr. Rourke, formerly of San Francisco, assumed his duties with the Council in July of this year. He is a member of the Board of Trustees and is current President of the American Hospital Association. During the past twelve years, he has been Physician Superintendent of the Stanford University Hospitals, Director of Stanford University Out-Patient Clinics, and Professor of Hospital Administration at Stanford University School of Medicine. For the past three years he has lectured at the University of California. In addition to his experience in hospital and medical administration, Dr. Rourke has been active in consultation work, including the making of community health surveys and advising on hospital construction. He is a member of the Federal Hospital Council, an advisory body on administration of the Federal Hospital Survey and Construction Act.

Moderator: **QUINCY HOWE**—Associate Professor of Journalism, University of Illinois.

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Can Hospital Costs Be Lowered?

Announcer:

Tonight, Town Meeting is the guest of the American Hospital Association at its 54th Annual Convention, with the broadcast originating from the convention session held in the ballroom of the Benjamin Franklin Hotel in Philadelphia. Eighty-two per cent of the hospitals of the United States and Canada are members of the American Hospital Association. Administrators, trustees, department heads, and other personnel from all these hospitals have assembled here for a week of meetings.

One of the most pressing concerns that these people gathered here in Philadelphia are facing this week is that of finding ways to meet the growing health needs of the American people, but every day of the year through research, through education, through technical and administrative advice the program of the American Hospital Association helps hospitals perform more efficiently their day-to-day tasks of caring for the sick and injured in towns and cities throughout America.

Now to preside as moderator for tonight's discussion, here is Quincy Howe, Professor of Journalism at the University of Illinois.

Moderator Howe:

Ten thousand members of the American Hospital Association have gathered for their 54th annual meeting here in Philadelphia this week, and it is under the auspices of that association that we present tonight's Town Meeting of the Air. Our Topic hits every American family, "Can Hospital Costs Be Lowered?"

Now this question covers so much ground and is so complicated that I'm going to ask our two speakers to begin by defining and limiting in advance the subject of our discussion. Our first speaker, Eli Ginzberg, Professor of Economics at Columbia University, has served as consultant to the Army and to various non-governmental foundations on matters relating to health and personnel. He is the author of the *Pattern for Hospital Care.*

Professor Ginzberg will point out how in his view hospitals can perhaps cut some of their financial costs, but first won't you start off, Professor Ginzberg, by telling what you mean and what you're going to mean in this discussion by those words "hospital costs"?

Professor Ginzberg: I'd better give myself a little elbow room, because it's not going to be very easy to try to prove to an audience like this the thesis that I have that hospital costs can come down, so I'd better begin by pointing out some of the complexities and what we mean by the term "hospital costs."

What kind of hospitals are we talking about—general hospitals or psychiatric hospitals or hospitals for the chronically aged, and so on? That's one point we've got to keep in front of us.

Secondly, are we talking about the cost to the patient for a single day's care, or are we talking about the cost for his completed illness during the period that he's in the hospital? That's a different kind of cost. Or are we talking about perhaps all of the times that he's likely to go to a hospital through a lifetime as distinct from any single illness?

Or finally, two points before the end, are we talking about the cost

to the individual and his family only, or must we also take into consideration the community's cost, because government and charity contribute quite a lot toward paying for hospital care?

And finally, we must remember, I think, that something else than curing patients goes on in hospitals. Namely, we also do a lot of medical teaching and research.

I think all these points have to be kept in view, and I'm going to try to get some elbow room later on by pointing out some of these places where I think costs could come down.

Mr. Howe: Well, thanks very much, Professor Ginzberg. Now our second speaker is president of the American Hospital Association under whose auspices tonight's meeting is being held. He is Dr. Anthony J. J. Rourke, who is also our Executive Secretary of the Hospital Council of greater New York.

Now, Dr. Rourke, you've heard some of these questions, you might say, that Professor Ginzberg has raised in this matter of hospital costs. How do you feel about these questions? Where would you agree with him that we can call this legitimate hospital cost and something else not? How would you define the subject?

Dr. Rourke: Professor Ginzberg started out by indicating that it might be difficult with this audience to discuss the possibilities of reducing hospital costs, and I would like to put Professor Ginzberg's mind at ease by saying that if he or anyone else in this country can help us to reduce hospital costs, we will be the first people to do it.

There are over ten thousand people here in Philadelphia attending the American Hospital Association and primary in their mind is the cost of care, and we are desirous wherever possible to reduce it. I think that before the broadcast we agreed that the field was so large if we included all types of hospital care that we could not do a good job in discussing the subject, so Professor Ginzberg and I had agreed that we would confine our remarks largely this evening to the general hospital, the hospital in your community, the one which treats all types of disease and illness rather than the specialized hospital taking care of mental cases.

Now, Professor Ginzberg, you have the side of the question this evening that hospital costs can be lowered. I would like to take the side of the question that hospital costs in this country in general hospitals cannot be lowered unless standards of care are lowered. I now have an ear waiting for your suggestions, Professor Ginzberg, as to how we may do it.

Professor Ginzberg: Well, I don't think there's any question that I can throw some points out at you to bite on, and let's start by saying that I think if you don't put the right patient in the right hospital, you're raising costs unnecessarily. One of the things that I observed is that there are a considerable number of people going into general hospitals where I would question their conditions really necessitated their being in a general hospital, and that will run costs up either for the person or for the community.

Secondly, I'm impressed with the fact that modern medicine outside the hospital hasn't really caught up with the hospital development because I think that patients could be treated more before they got into the hospitals and thereby reduce the number of days that they

stay in the hospitals. Then I've been impressed for a long time as an economist—used to watching industry work seven days a week where the capital costs are very high—by the fact that hospitals go to sleep on Friday afternoon and wake up on Monday morning. That's too expensive from my point of view, so I would like to see hospitals really work seven days a week if at all possible, because if you work only four and one-half days a week to five days a week, that's too expensive.

Mr. Howe: Professor Ginzberg, I think you've made three points there already and I think Doctor Rourke has some of them noted down. Let's let him get a chance to get in some observations on those some place before we have so many that we can't keep up with them.

Dr. Rourke: Fine, Mr. Moderator, and I would like to ask Professor Ginzberg if he would be willing to be a little more specific about what he means by the right patient in the right hospital.

Professor Ginzberg: Well, I think that's a perfectly legitimate question. I've been impressed by the fact that one of the unfortunate consequences of insurance is that patients decide on occasion and hospitals, and doctors don't really stop them. Certain kinds of patients come in a little early and stay a little long; that's one kind of patient that I would question as to whether he ought to be in a general hospital at least for that part of the time when he is not being treated but is there resting.

The second kind of problem, more important I think, is that there are chronically ill patients who go to general hospitals who really cannot be helped very much by the specialized facilities in general hospitals, but the community has not yet built appropriate institutions or we do not have proper extra-mural care for them, so the general hospital is the only place we know of to put them, but that's pretty expensive from the point of view of the community. So those are at least two instances that I'd like to throw back at you.

Dr. Rourke: All right, Professor Ginzberg, let's take the in early and out late. It sounds a little bit like that inventory principle of first in, last out. I feel that in free America where the people of America decide what they want that that should be the governing principle for what we try to give them. I would like to compare this with the telephone service in a rural community. It would be perfectly possible to have no phones at all in the country and when you wished to make a phone call you would go into the city to place it.

And now the same thing is true about this *in early*. If it meets the patient's convenience and the patient's desire to come in early, or the patient and the doctor's desire to come in early, then I think in free America that should be possible. I think that this idea of some people feeling that the patient comes in too early may be misconstrued.

Many a physician in America today knows that in his approach to surgery his success and the ease with which he operates upon that patient depends a great deal upon the state of mind of the patient and whether he can be oriented to his hospital surroundings. If you're willing to give the patients security and confidence, then we feel that the program runs a little better.

Now just who can say when the patient ought to go home is rather

difficult. Certain patients with home environments that are capable of taking care of the convalescent patient are able to do so at an earlier date. However, if the woman of the family happens to be the ill individual, and at home there are three or four or more children and a husband and the housework to do, perhaps that extra day or two of hospitalization may mean a very great deal to the ultimate progress in her early convalescence. Well, to move on, Professor Ginzberg.

Mr. Howe: Well, I think I'll do the same I did with you, Dr. Rourke, on Professor Ginzberg. His pencil has been working like mad here and he has some points to make on that first point and then we'll go on to the second one. Go ahead, Professor Ginzberg.

Professor Ginzberg: I have no objection to going along with you in saying that if people desire to sort of take rests in hospitals they ought to be permitted to do so. Then I would say to those people they shouldn't complain about the cost. You can't have it coming and going.

Dr. Rourke: They don't all complain about cost. I'm not too sure, Professor Ginzberg, that that's a universal attitude.

Professor Ginzberg: I don't know. I was only asked to take the position that they could be cut on the presumption, therefore, that some people think they're too high. I haven't complained about them but I've tried to sort of verbalize what I believe to be the position of the people who are complaining.

Dr. Rourke: Well, I'm answering therefore, Professor Ginzberg, that there are one out of every ten people listening to this program this evening that had an experience in a hospital this year. And I'm confident as a hospital person who spent some 23 years in the confines of a hospital with sick people that the great majority of them are satisfied and feel that they have received value for the money they have spent for their hospital care.

Professor Ginzberg: Well, I would like to talk to the people who are complaining and suggest to them that they really perhaps expect too much service for too little expenditure. I'm not trying to jump over to your side but I'm trying to say that it looks to me that if you really want just a maximum amount of service, as much time in the hospital as possible, as much nursing care as you'd like to have, then that's all very expensive because this is a country in which service costs a lot and where construction costs a lot and those are the two major parts of hospital costs.

Dr. Rourke: Don't you think, Professor Ginzberg, that in an economy such as ours where we've been able to develop a million dollar television industry that we should be able to afford our hospital costs? We've been able to do this and I'm not against television sets. I think they're wonderful. In fact I have a youngster listening to this program at home tonight who insists that I buy for him a television set this fall, and I hope to, but nevertheless this constant conversation along the line that the hospital costs are something that cannot be paid—and this is a minority opinion, at least, as I view it—doesn't seem to me to be practical.

We've been able even in spite of the fact that 15 per cent of our income is going into defense to continually year after year raise

the standards of living in our community. I think the same thing can be true of hospital care if the people understand it and I'm confident, Professor Ginzberg, that that is our problem and you have done a great deal along that line yourself.

Mr. Howe: I think you've exhausted this line of thought. I'd like to have you go on to that next point that you have there. I think you've given this a good going over, this question. Go on to that question. The second point I think that Professor Ginzberg made had to do with the outside facilities other than those in the hospitals that might be used.

Dr. Rourke: Well, in the chronic care, I assume that what Professor Ginzberg has in mind is the development of chronic hospitals that would not have the same cost. Am I correct there?

Professor Ginzberg: Well, largely, I would say home care programs with some specialized chronic hospitals. I think the big thing is to keep people in the homes where they've lived all their lives and give some kinds of ambulatory services to those chronic patients who need some kind of medical care but do not need permanent hospitalization.

Dr. Rourke: Well, now, we have two parts to that problem, home care and chronic care. Let me first comment on the chronic care and the hospitalization of patients who are suffering with chronic illnesses. I think the development of specialized hospitals in our country today would be a step backward. Years ago we had a specialized hospital for eye, we had a specialized hospital for nose and throat, we had a specialized hospital for maternity; but the medical profession found that it was necessary to have together in a single place all the service necessary so that the obstetrician could call upon the psychiatrist when he needed him, so that the nose and throat man after surgery when he ran into a problem of, let us say, diabetes, could call the internal medicine man to assist him. Now I refuse, Professor Ginzberg, to draw any distinction among any who are ill. I think a fellow who has chronic arthritis and is confined to bed or to a wheelchair or to a pair of crutches is just as sick as is the man with appendicitis or pneumonia.

Professor Ginzberg: Well, I must draw some distinctions because I don't know where the money is coming from to take care of the increasingly aging population, many of whom cannot be constantly aided by the specialized facilities available in general hospitals which cost in the neighborhood of $20 per day, when I think they could really get along with a certain amount of nursing care and medical supervision at $3 a day or $1.50, if they were kept at home. I don't think any society in the world can take its older people and put them into institutions for permanent general hospital care. It just doesn't make any sense to me.

Dr. Rourke: Well, Professor Ginzberg, if you want the $1.50 a day alms houses of years ago you may have them, but they are not the type of thing that I want any relative or friend or citizen of this country to have.

Now you talk about the cost of care, if you're talking about the cost of a hospital bill, it is true that it is a problem to meet it if you have not planned on it. We

in the American Hospital Association have sponsored the Blue Cross Plan movement in this country.

Professor Ginzberg: Could I cut in and say that I don't know of any hospital insurance plan that provides for any adequate amount even in catastrophic care in terms of the length of time that some people with complicated conditions require, not to mention conditions of chronic care stretching over years. That's not an insurable risk in my opinion.

Dr. Rourke: Well, Professor Ginzberg, that question has been brought up before to us in the American Hospital Association—first the long illness that you refer to as the chronic illness and other types which are not taken care of. But don't forget the Blue Cross movement is a new movement. It is a young movement. It is moving along and not a single year has passed since its inception that we have not improved it. I have no reason to believe, and I'm confident that you haven't either, that we have reached the end of the rope in our prepayment plans. I'm sure and I do feel that the time will come when most of our illness will be insurable, and insurable in our Blue Cross programs.

I'm sure that we want more comprehensive benefits. I'm sure you want more comprehensive benefits. But I think there's only one way that we can get them. What's made America great? It is the ability to meet the emergency, the ability to work together, the willingness to be free. Let's roll up our sleeves and go to work on this Blue Cross movement and see that more and more people are enrolled in it; and as the enrollment increases you will find that benefits will increase and we will be able over and over again to do jobs that we haven't been able to do before.

Professor Ginzberg: Well, I would surely agree with that. All I would say is that I think we would make progress faster if we don't set ourselves impossible goals. And I would like to come at least to the point where people could afford to buy an insurance plan for themselves to take care of catastrophic ailments, without opening up what I believe is an impossible burden, by saying that the general hospital should be the institution for the care of a very large number of the chronically aged.

I don't see why you should go off and really make that kind of claim from the point of view of a general hospital. You had enough headaches to solve long before you blanketed in this tremendously increasing body of the chronically aged.

Dr. Rourke: Dr. Ginzberg, I welcome headaches. I entered this field and dedicated my life to the care of the ill as have thousands of people throughout the United States, and in the care of the chronically ill we've seen that in the past decade work such as is carried on by Dr. Howard Rusk in New York City. He has been able to show us that chronic patients who have been bedfast or wheelchair fast with the proper care have been made useful and have been able to lead a better life. Now you're not going to get that, Professor Ginzberg, if you build that chronic hospital out in the country separated and away from everything else.

Professor Ginzberg: I didn't want to build any chronic hospital. You suggested that. I've been very careful. In fact, I think that

the only way that we can keep hospital costs down, even if we can't get them down any further—at least we can keep them down—is to be mighty sure that we only build hospitals for very specific purposes, and I would surely agree with you, Dr. Rourke, that any person with a chronic illness who could be helped by spending some time in a general hospital ought to have the accessibility to that general hospital. As you remember I so recommended to the Governor of the State of New York to see that the indigent should not be kept out, and that the welfare commissioners should pay for those indigent patients for such time as they could profit from it, but I see no reason why a large number of patients who really require primarily nursing care should not be permitted to receive nursing care and the proper medical care in less expensive institutions than general hospitals.

Mr. Howe: Well, I think we've done a pretty thorough job on that point too, and there's still a third point. Here in your opening statement, Professor Ginzberg, that I think Dr. Rourke wants to say something on. You're going along fine, both of you. Don't let me give the impression that you're not covering this thoroughly. You are. You're covering a lot of ground.

Dr. Rourke: Well, Mr. Moderator, I think we certainly have agreed to disagree on that last point, but I want to move on to this Friday - afternoon, Monday - morning care in the hospitals. That problem has faced us ever since hospital personnel have been more nearly paid a living wage. You know we hold a dual trust in the hospital field, first to our sick people, and second to those people who labor in our hospitals, to be sure that they are paid a living wage or as near as possible to it.

The increases in salaries and wages you're all familiar with. At one time, I think, the hospital salaries only constituted about 40 per cent of the hospital dollar. Today they're up to between 60 and 70 per cent of the hospital dollar. Now with that, along came some fair and just personnel practices, and I'm sure there's no one who will disagree with social justice when it comes to the workers of America. With that we got down to a decent work week which could compare with industry. You remember there was a time when nurses worked 7 days a week, and they worked 12 hours a day, and even some of them worked around the clock.

We gradually brought that down to a decent work day. We tried to do away with split shifts. The idea of coming to work at seven in the morning, and then having idle time from one until four, and coming back at four to work through seven was not fair and we knew it and we corrected it. Along with that and the 40 hour week in the hospitals there are two days per week off.

Now the problem is, whether you should carry on as much work every day in the week in the hospital, or whether you should carry on more work five days a week and try to adjust your admissions and your discharges accordingly. I would like to point out to you, Professor Ginzberg, that there are hospitals in this country using both methods.

We have not arrived at any uniform program. Some hospitals run no operating room schedule except for emergencies on Satur-

days. Others carry through a full operating room schedule on Saturday but don't do quite as much work on Monday through Friday. Here again, enter in the field of research and experimentation, and that's the reason that people come to this convention from every state in the Union—Hawaii, Alaska, Puerto Rico—to exchange ideas and advice in the corridors, and it is helpful. I hope that some day we will be able to tell you that it is better not to work on Saturday and Sunday, except for emergencies, and that we do a better job on the other five days.

But I want you to keep in mind that as far as I'm concerned there's no one who needs care that does not get it. There are two types of care, elective and emergency care.

Professor Ginzberg: I want to have a chance to make a few more points. I don't know whether you are going to get a chance to answer them, but I think that actually one of the worst problems of the hospital cost structure has to do with the nursing course, and I was impressed when I was in Japan right after the war that the Japanese family helped out when one of its members came to the hospital. Now I'm not sure that you as an administrator would like to have the family move in with the patient, but I think we ought to begin to think, in light of the continuing nurse shortage, of how we could get a little more help out of the families so they wouldn't have to pay so much for other people. I would like to say also in the light of your new job in New York . . .

Dr. Rourke: May I answer that first question, Professor Ginzberg? I don't want any unskilled personnel, relative or otherwise, coming into the hospital caring for the patient if it can be avoided. I think, Professor Ginzberg, that any desire to reduce the amount of money spent on hospital care in this country is unwise and against public policy. I feel that we need more and more hospital care and more and more ways to produce higher and higher grade care for more and more of our people. (*Applause*)

Professor Ginzberg: I agree on more and more care, and I think we need more health, but we don't need more hospital care, necessarily, to get more health, and I would say that it's better to have somebody in the family help a patient out when there is no nurse. I didn't say it was better to have an unskilled person from the family help out in lieu of a good nurse, but I just know something about nursing shortages as you do, and I just said that maybe we ought to look at some of the realities.

One or two of the other points I would like to make is that just because the hospitals are such powerful instruments for health I would like to see them do more as a contribution to preventive medicine and for the medical care of the community on an outpatient basis. I think these are too expensive, these institutions of general hospitals with their specialized equipment and their specialized staffs to care only for in-patients on four and one-half days a week.

Coming back to my old point, I do think that one way that the American public could feel a little happier about what it's paying for, and get more health, is to be sure that it makes the maximum use of this very good hospital plant which keeps on improving all the time, and I'm in favor of the improvement.

Dr. Rourke: Well, Professor Ginzberg, let's not leave the audience with the idea that this is not going on. About six months ago I had a complaint from the chief of one of our services that we were doing so much of this ambulatory, diagnostic work on the outside it was beginning to be difficult to get the care for the patients in bed.

Mr. Howe: How about that, Professor Ginzberg?

Professor Ginzberg: I would say that is atypical.

Dr. Rourke: Does the audience here feel that it is atypical?

Mr. Howe: The audience feels it's not typical.

Dr. Rourke: Not atypical.

Mr. Howe: In other words that it is typical.

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QUESTIONS, PLEASE!

Mr. Howe: Earlier this evening before we went on the air I was introduced to this audience here by a Dr. Albert Snoke of Yale University and I'm going to now introduce him to the radio audience and have him ask the first question. Dr. Snoke was chairman of the American Hospital Association's committee on hospital reimbursement and prepayment. What question, Dr. Snoke, would you like to ask, as a doctor, of these two people that we have on our panel here tonight?

Dr. Snoke: I've been looking forward all evening to the opportunity of talking, Mr. Howe. Thank you very much. I would like to address my question to Professor Ginzberg. We have American medicine going ahead all the time. New advances are always being developed and everything that happens seems to be more expensive. They are helping them to cure a patient and helping with the shortening of the stay of the patient but they are more complicated and more expensive. Now can you believe that when we're talking about economy that we're going to be able to have any patient or any family say economize when you're taking care of me or a member of my family in the hospital? What are you going to do about that?

Professor Ginzberg: Well, I think the important thing is to try to get our own thinking in line with the difference between the essential and the desirable. I came down on a train and it had an ordinary carriage and it had Pullman, and I think that anybody who can afford Pullman can get it but I think by and large we may be able as we go ahead to do all of the essential things as medicine develops which will be expensive but also to pay somewhat more attention to not permitting a lot of the desirable things to be put upon the general public.

Moderator Howe: Thanks very much, Professor Ginzberg, and again this week we are going to ask our speakers, Dr. Rourke and Professor Ginzberg, the most appropriate and timely question from all those submitted by our listeners. Our program staff had a tough time choosing this question from all those that came in, but we felt this was one of particular value

because it emphasized the place and action of an individual in relation to the topic of the evening. This week the listener who will receive a complete set of the American People's Encyclopedia is: Mrs. Alan Creighton of 1033 Pier Avenue, Hermosa Beach, California. The question is: "What Can the Average Person Do as an Individual to Help Bring Down the Cost of Health Care?" First, Dr. Rourke.

Dr. Rourke: First of all, I'm happy that question came from California, my former home. And greetings to you, Mrs. Creighton. I think the thing that you can do, Mrs. Creighton, in bringing down the cost of hospital care, is to follow the advice of your physician in whose hands and in whose trust you have placed yourself. I think when you demand or ask for anything additional there may be slight increases in cost but they're minimal. There really isn't any way, Mrs. Creighton, that we can bring down the cost of high-grade, high-standard medical care. We can give you half-care but who wants to be half-sick?

Professor Ginzberg: Oh, I think the average citizen can do a lot more and one of the things he ought to do is to be interested in the problem of the whole hospital and medical care of the country and to play his role as an intelligent citizen in that planning and in the operation thereof. I think that it is not good for professional hospital administrators and doctors alone to be concerned with hospital care, and I do think that I would agree with Dr. Rourke to say that although it's very important to follow the doctor's orders professionally it is very important to follow the citizens' obligations to participate in anything that involves as much social planning and social resources as a hospital structure for the country.

Mr. Howe: Thank you, Professor Ginzberg. And now we're going to go down to get our usual questions from the audience, and first we're going to ask each questioner to give his or her name on this first question, please.

Man: My name is David Reynolds. I'm from Madison, Wisconsin, and my question is directed to Dr. Rourke. Dr. Rourke, what specific action, if any, is the American Hospital Association taking to reduce hospital costs to the patient?

Dr. Rourke: In answer to your question, I will say that we have been specifically trying to study the problem over and over again. Just this year we have been able to secure from foundations a half million dollars to study the cost of financing hospital care toward the end that we may reduce it if possible. That study will be finished in about another year. It is shared by Dr. Cray of North Carolina, and if there are any things that come out of that research I'm sure that the public will receive them.

Man: My name is James H. Lewis, administrator of Burrell Memorial Hospital, Roanoke, Virginia. My question is directed to Professor Ginzberg. How can hospitals reduce costs for the municipalities and county governments that do not have sufficient funds to pay for the services rendered to medically indigent patients?

Professor Ginzberg: Let me be sure that I caught the question. That is, "How does the hospital give a specially low cost to the indigent patient where the county can't afford to pay for it?"

Mr. Lewis: Where the counties do not pay.

Professor Ginzberg: Oh, where the counties do not pay. Well, I would like to go back to the question of what the citizens responsibilities are. I think that if you have an awakened citizenship which realizes that everybody has to be permitted to go to a hospital if he has the money or if he doesn't and that the government must pay if he can't afford to pay, that the citizenship group will push behind insurance. Then I think the particular problem you raised will be on the way to solution.

Man: Dr. Wagner of New York City. My question is directed to Dr. Rourke. What is the American Hospital Association doing to develop active efforts by physicians to reduce costs of hospital care and what more can physicians do?

Dr. Rourke: Dr. Wagner, as many of our hospital people know, around every hospital in every community is a staff organization composed of physicians. In order to have a hospital approved, these physicians meet together monthly and they discuss many problems. It is the usual pattern that the Administrator of that hospital presents to the doctors those things which refer to the economics of the hospital. I'm confident that from the literature I've read and the conventions I've attended by the medical profession and particularly the outstanding work of Dr. Tom Murdock that they are just as interested in keeping the cost of hospital care down as we are and that continuing work and research is going on with them.

Mr. Howe: Thank you, Dr. Rourke, and now the next question. The name please again, sir.

Man: My name is Mr. Lewis Miller, Director of the Jewish Memorial Hospital in New York City. My question is directed to Professor Ginzberg. Inasmuch as labor expense is approximately two-thirds of our budgets today, how can we reduce our labor expense when we are competing with government and with industry for all our labor?

Professor Ginzberg: Well, I think the amazing story about America is that we have the highest wage rates and the highest standard of living simultaneously and that's why I was pushing on the hospitals that if we get very efficient utilization of hospitals we can pay very good wages and still keep the total hospital bill to the public down and the way you do that is to be sure that you use general hospitals only when you need them, just as long as you need them, and not longer for the right kind of patients.

Dr. Rourke: Of course, Professor Ginzberg, your premise is that the hospital personnel of America are not efficient and I will stake my life on the efficiency of the nursing profession of America which composes the largest part of our personnel power.

Professor Ginzberg: How could you make that conclusion? I'd just like to know, Dr. Rourke, how you managed to conclude that that was implicit in my answer?

Dr. Rourke: Well, I thought you said that if the personnel were more efficient you could . . .

Professor Ginzberg: No, no, I said that if the hospital plant were used more efficiently. I'm back to my four and a half days, and what kind of patients do we admit and so on. No, no, I have no complaints whatsoever about the effi-

ciency of the individual persons working there.

Dr. Rourke: I'm sorry, Professor.

Professor Ginzberg: I'm an old friend of the nurses and I don't want that broken up.

Mr. Howe: It's very appropriate: we've just been talking about nurses and here we have the next question from a lady. Will you please give your name, madam?

Lady: Yes, my name is Harriet Ayburg and I'm a nurse anaesthetist from Galesburg, Illinois. My particular question I wish I could change now, I still want to know the answer. Dr. Rourke, hospital and hotel costs are often compared, and I would like to know the best way to show the public that actually a hospital room is cheaper than a hotel room.

Dr. Rourke: Well, that's an excellent question and anyone who has been in a hospital or has read or listened to a program realizes that it goes around the clock 24 hours a day, that there's a large army of laboratory workers, that there are nurse anaesthetists like yourself, that there are dietitians, that there are a great host of people who work around the clock and we cannot possibly compare a hotel to a hospital. It's like comparing cabbages and turnips—they're just in a different family.

Man: My name is Joseph Murtaugh. I'm from Washington, D. C. I should like to ask Professor Ginzberg this question. Should we not sponsor basic research into the economics of hospital management in the same manner that we do into the complex problems of medicine?

Professor Ginzberg: Well, I would surely say from my experience that this is a very big industry with a lot of people working very hard but not nearly enough students studying the industry. This is an awful big one but I think I would agree with Dr. Rourke that you now have under way really the first big comprehensive study that we have seen in a long time and I would think that these studies ought to continue. Because that's what any large . . .

Dr. Rourke: And that's the way we're going to bring high-grade medical care to more and more people in America.

Man: My name is J. K. Owen from the Medical College of Virginia and my question is directed to Dr. Rourke. If a hospital or medical center may provide hospitalization at a cost of $15 per day the same care may cost $25 at another hospital. Why the difference?

Dr. Rourke: I hate to say that the difference may very well be for several reasons. First of all, not every hospital in that country is equipped to do everything that is necessary. For instance, a smaller hospital may not be equipped to do brain surgery and the patient is referred on.

Secondly, there may be great differences in the labor market in given hospitals.

Thirdly, there may be a difference in occupancy and I do not agree with the people who think that all hospitals have to be filled all the time. I'd like to see hospitals empty. I'm interested in the well, not the sick, and the percentage of occupancy frequently covers the per diem of cost. However, I would not take a hospital out of a small community because it had a higher per diem of cost than the city hospital, because it's

the hospital in your home town that's going to do you the good.

Mr. Howe: Thank you very much, and let me now on behalf of Town Hall thank our hosts, the American Hospital Association, Mr. George Bugbee, its executive director, station WFIL, the ABC station here in Philadelphia, and especially let me thank you, Professor Ginzberg, and you, Dr. Rourke, for your wonderful discussion of tonight's question. So plan to be with us next week and every week at the sound of the Crier's bell.

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FOR FURTHER STUDY OF THIS WEEK'S TOPIC

Background Questions

1. To what extent are our communities dependent on government (federal, state, municipal), voluntary non-profit, and private proprietory institutions for health facilities?
2. What type of medical care is provided by government? by voluntary non-profit and private hospitals?
3. Have hospital costs been rising, falling or stable during recent years?
4. To what extent has community growth, increased population, etc., contributed to hospital costs?
5. To what extent has inflation affected hospital budgets and costs?
6. Has increased competition for personnel from industry and the armed forces forced hospital costs up?
7. Have shortages of medical personnel affected hospital costs?
   a. Have the education programs of private medical schools filled current needs?
   b. If not, should the government subsidize further medical education?
8. Do present health facilities need expanding? Who is responsible for new hospital construction?
9. To what extent would better administration enhance the financial stability of hospitals?
   a. Is authority delegated to an over-all administrator in each hospital with power to make responsible decisions?
   b. Could more efficient hospital management be fostered by stricter control over the work of the hospital staff?
   c. Are hospitals taking advantage of the savings inherent in full, effective utilization of buildings and equipment?
   d. Can a single hospital be financially and functionally self sufficient, or must regional cooperation be achieved to promote more effective use of information and facilities?
10. What is being done to increase the efficiency of hospital treatments?
    a. What provisions are hospitals making for the care of the chronically ill and the aged?

b. What improvements can be made in the treatment of patients on an ambulatory basis?
c. Is efficiency in the care of the mentally ill and the tubercular improving?

11. What part of the costs of hospitalization are covered by the hospital bill? the doctor's bill?
12. Are hospital costs a large or small part of the total medical expenses of the average American?
13. How many bills does the average patient receive on leaving the hospital?
    a. Are doctors' costs equitably distributed among specialists, auxiliary specialists, and other hospital personnel?
    b. Can a hospital patient be presented with one itemized bill to facilitate payment?
14. Have voluntary hospitals made their facilities available to all competent doctors, or have limited groups of favored individuals been using hospital facilities for private advantage?
15. What effect do prepaid insurance plans have on hospital costs?
    a. What types of plans now exist? Do these plans cover hospital costs alone, or do they take doctors' fees into account?
    b. Do these plans involve partial or complete coverage of the costs of hospitalization?
    c. How many people are covered by these plans? How far do voluntary health plans protect the low income household?
    d. Do these plans furnish protection for the aged and the chronically ill?
    e. Do these plans provide for individual as well as group enrollment, and are they convertible from one plan to another and from group to individual coverage?
    f. Do current plans provide adequate time coverage?
    g. How many of the present schemes cover extra nursing care, anesthesia, laboratory tests, diagnostic tests, surgeons fees, medicine and rehabilitative services?
16. What part should government play in insuring adequate medical care?
    a. What types of medical service are most in need of government subsidization?
    b. Is a government subsidy necessary to maintain the operating stability of our general hospitals?
    c. Is a government subsidy necessary for capital purposes such as rebuilding obsolete and insufficient facilities?
    d. Is the President's proposal for a compulsory national health insurance program financed by a federal pay-roll tax desirable or feasible?
    e. What percentage of our population must rely on government or charity today?